

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Actuarial Meeting of the Boards

October 29, 2015 – 11:00 a.m.

VMERS Members present:

PETER AMONS, Chairperson, Employee Representative (term expiring July 1, 2016)

THOMAS GOLONKA, Vice-Chairperson, Employer Representative (term expiring July 1, 2016)

DAVID ROWLEE, Employee Representative (term expiring July 1, 2018)

MEL HAWLEY, Employer Representative (term expiring July 1, 2018)

ELIZABETH PEARCE, Vermont State Treasurer

Board members absent:

none

Also attending:

Laurie Lanphear, Director of Retirement Operations

Joshua McCormick, assistant to Tina Kaweck

David Driscoll and Kevin Penderghest, Buck Consultants

Scott Baker, Director of Financial Reporting

Matt Considine, Director of Investments

Katie Green, Investments Manager

Nick Foss, Investment Analyst

Heather Gamble, Dept. of Finance and Management

The Chairperson, Peter Amons, called the October 29th, 2015, In-House meeting to order at 11:10 a.m., which was held in the Treasurer's Conference Room, fourth floor, 109 State Street, Montpelier, VT.

ITEM 1: Approve the minutes of: ■ September 15, 2015

On motion by Ms. Pearce, seconded by Mr. Golonka, the Board unanimously voted to approve the minutes of September 15, 2015, as submitted.

ITEM 2: FY'15 Actuarial Valuation and Assumptions

The Board reviewed several alternative schedules for the valuation, encompassing changes in the mortality assumptions and the amortization period.

There was a discussion about the mortality assumption and applicability to general, white collar, and blue collar municipalities. More research will need to be done including survey with schools, getting data from the leagues of cities and towns, and meeting with the NEA. The valuation and recommendations for municipal employer contributions will be made after this work is completed.

There was a discussion about the \$25 retiree health stipend for municipal retirees.

On motion by Ms. Pearce, seconded by Mr. Rowlee, the Board unanimously voted to approve the continuance of the \$25 retiree health stipend.

ITEM 3: Discuss VMERS Assets compared to other pensions

Ms. Pearce stated that VPIC is currently going through revisions of its asset allocations. VPIC will be receiving an asset return assumptions from NECP. VPIC is also reviewing asset allocations from funds with similar funding attributes to VMERS. Mr. Golonka stated that he thinks it would be a good idea for VMERS to have an annual VPIC update. The board agreed.

ITEM 4: Review 90 day Rule for applying for disability benefits.

The Board discussed Statute §5056 (a) - 90 day time limit from separation date to apply for disability. The board would like to explore changing the statute to extend the time frame. Ms. Pearce and Ms. Lanphear informed the board that the medical review board can only determine disability retirement from medical documents while a member is still in service. Mr. McCormick will talk to the medical review board to determine if retirement eligibility at the time of retirement can be assessed if the 90 day limit was extended. Ms. Lanphear stated that the member does have the right to appeal to the Municipal retirement board if there is good cause for a member applying for disability retirement after the 90 day time period.

Mr. Hawley stated to the board that sometimes a member is not aware of the 90 day time period to apply for disability retirement, despite its inclusion in a number of resources, including annual statements delivered to members. An idea was suggested that a "fact sheet" be made for the municipalities, particularly employers. The retirement office will look into this.

Ms. Pearce then advised the board about the changes to the VSERS statutes concerning disability retirement, including yearly reviews and income verification. Income verification letters will be sent to VSERS disability retirement members next week. The board will be provided an update of the progress of the new VSERS disability process, at an upcoming meeting.

ITEM 5: Any other business to come before the board

Mr. Hawley asked about the fixed rates for defined contribution plans. He asked if the VMERS board has the ability to give the employees and employers ability to flex the contribution rates for the DC plan. He also asked about the decision making authority for the DC plan. Ms. Pearce stated that the VMERS board is the trustee to the DC plan. She stated they will research the issue. The board agreed and this will be a future agenda item.

Ms. Pearce gave to the board copies of a memorandum from the AAG's office as well as a memorandum from the retirement office to retirees stating the COLA for 2016 will be 0.0%.

ITEM 6: **Adjournment**

On motion by Ms. Pearce, seconded by Mr. Hawley, the Board unanimously voted by roll call to adjourn at 1:53 p.m.

Next Meeting Date:

None at this time.

Respectfully submitted,

Tina Kaweck
Secretary to the Board